COMMONWEALTH OF VIRGINIA

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To: State Retiree Health Benefits Program Participants Enrolled In Advantage 65, Advantage 65 + Dental/Vision, Medicare Complementary/Option I, Medicare Supplemental/Option II, or Medicare Supplemental/Option II + Dental/Vision

From: Mary P. Habel, Director
State and Local Health Benefits Programs

Date: December 15, 2005

Re: Transition to New Enhanced Medicare Part D Prescription Drug Coverage on January 1, 2006

Our eligibility records indicate that you will be enrolled in one of the plans listed above on January 1, 2006. That means that you will have prescription drug coverage under the new enhanced Medicare Part D Plan that is available through the State Retiree Health Benefits Program. The name of this plan is YOURx PLAN—brought to you by the Commonwealth of Virginia Retiree Health Benefits Program and Medco. (This is not YOURx PLAN that is presented at the Medicare Web site.) If you have recently submitted an enrollment form to terminate your coverage or to select one of the Advantage 65-Medical Only plans, please contact your benefits administrator to confirm that your request has been processed.

In addition to a lower premium for 2006, most participants will experience lower out-of-pocket costs for co-payments under the new program through the use of Tier 1 (generic) and Tier 2 (preferred brand) drugs. However, based on the new formulary, which is the list of drugs covered under the plan, as well as some drug exclusions defined by Medicare, some participants will experience cost increases or find that their drugs are not covered. In addition, there are some new requirements that must be met in order for some participants to maintain coverage of certain drugs. Many of these changes may require your involvement and that of your doctor and/or pharmacist in order to make alternative drug choices or provide additional information that will meet the formulary and/or authorization requirements of the plan.

Many of you have already contacted Medco to determine whether you need to take action based on your own individual drug needs. If you have not done so, it is strongly recommended that you contact Medco at 1-800-572-4098 or go to their Web site by clicking on the Medco link located at www.dhrm.virginia.gov/hbenefits/retirees/medicareretiree.html as soon as possible to review your current drugs. This is important so that, if you are taking non-formulary drugs or drugs in higher-cost tiers, you can work with your doctor to consider therapeutic alternatives that are included in the formulary or that are covered at a more cost-effective tier level. However, the purpose of this letter is to highlight common transition issues that could affect your drug costs starting January 1.

Refills – Existing refills for drugs that are on the formulary and have no additional authorization requirements, whether at a participating retail pharmacy or through Medco's mail service pharmacy, should be available without interruption on January 1.

If you have an available refill through the mail service, contact Medco before you request your refill so that they can assist you in determining your co-payment or coinsurance cost under the new plan. You may contact Medco at 1-800-572-4098 or, starting January 1, you may go to www.medco.com. If you normally charge your refill to your credit or debit card and the cost increases by more than $250, you will be contacted by Medco to obtain authorization for the new charge. However, if you request a refill and the increased cost is $250 or less, your card will be charged for the new amount. If you have any concerns about the amount of your new co-payment or coinsurance, contact Medco.

Pharmacy Network – While most major pharmacy chains participate in the network that is available to you on January 1, use of a non-participating pharmacy, except in an approved emergency, will result in denial of coverage. Medco can assist you in ensuring that you are using a participating pharmacy.

Quantity Limitations – Generally, quantity limitations for drugs on the formulary are consistent with the drug manufacturer's prescribing guidelines. However, if your prescription exceeds those limitations, your doctor will need to provide documentation to support the increased quantity. Medco can assist you in determining whether quantity limitations apply to the drugs that you have been prescribed.

Excluded Drugs – Some drugs currently covered under the state program have been excluded by Medicare under your new plan for January 1. Many participants now taking these excluded drugs are already paying their full cost since they are below the current co-payment level. However, there are some excluded drugs which could cost participants significantly more. Excluded drugs that are most commonly used by state plan participants are listed on page 4. This list is not comprehensive. The only way to confirm that your drugs are covered is to contact Medco.

Non-Formulary Drugs – Medicare requires that all formularies contain at least two drugs in every therapeutic category (unless there are not two drugs available), and most categories contain many more than two alternatives. If you find that you are taking a non-formulary drug, you may wish to consult with your doctor and/or pharmacist to determine if there are alternatives included on the formulary that might be just as effective in treating your medical condition. Selecting a covered formulary drug will generally reduce your out-of-pocket expense. Medco is available to assist you in determining if your drug is on the formulary and, if not, what possible alternatives are covered. Also, you will receive an abridged formulary along with your new Medco identification (ID) card. At that time, you may also request a complete formulary.

Listed on page 4 are non-formulary drugs that are most commonly used by state plan participants. In addition, we have included the most expensive non-formulary maintenance drugs used by state plan participants. Please review this information to see if any of your drugs are listed; however, this list is not comprehensive. The only way to check all of your individual drugs at this time is to contact Medco.

Prior Authorizations – All existing prior authorizations will transfer to the new plan. However, there are new prior authorization requirements associated with this plan. Even though you may already be taking a medication, new plan provisions may require that your doctor provide additional information to support your continued use of certain drugs. Medco can tell you if your drug has any prior authorization requirements, and listed on page 4 are the drugs most commonly used by state plan participants that have new prior authorization requirements. This list is not comprehensive. The only way to confirm prior authorization requirements is to contact Medco or review the formulary that you will receive with your new ID card.

Transition Drug Supplies – During a minimum of two months after enrollment in this plan, if you are already taking a drug that is not on the new plan's formulary or taking a drug that has new prior

authorization requirements at the time of enrollment, you may request a 30-day transition supply of your current drug while coverage is being reviewed or alternatives are being considered. You, your doctor or your pharmacist may make this request by calling Medco Managed Care Operations at 1-800-753-2851. Your cost for the transition supply will be based on the tier of the drug. For example, if it is a non-formulary drug, you will pay the Tier 3/non-preferred brand coinsurance (75%); if it is a Tier 2/preferred brand drug that requires prior authorization, you would pay the Tier 2 co-payment. Remember, you must pay the first $250 (deductible) of the cost of brand (not generic) drugs. Transition supplies are not available for excluded drugs or drugs that are generally covered under Medicare Part B.

If you are currently filling a drug through mail service that is not on the new formulary or a drug that has a new prior authorization requirement, your doctor will automatically be contacted when you request a refill in an attempt to resolve the coverage issue. If it is not resolved by your doctor, you will be contacted directly by Medco. At that time, a 30-day transition supply may be requested by you or your doctor by calling Medco Managed Care Operations at 1-800-753-2851. Transition supplies may not be obtained by mail but will be available at a participating pharmacy. Medco can assist you in identifying a pharmacy that is convenient for you.

Significant Cost Changes – Based on the new formulary and tier structure, out-of-pocket expense may increase substantially for some drugs. Listed on page 4 are drugs most commonly used by state program participants that will fall under Tiers 3 (75% coinsurance) and 5 (25% coinsurance) under the new plan and for which out-of-pocket expense will increase significantly. This is not a comprehensive list. The only way to check the tier and potential cost of your individual drugs is to contact Medco. If you find that your drugs are in either Tier 3 or 5, Medco can assist you in determining your new coinsurance responsibility.

Coverage Determinations, Exceptions and Appeals – Starting January 1, if you are either (1) taking a drug that is in a covered therapeutic category but not on this plan's formulary, (2) you are taking a drug that is in Tier 3 (non-preferred brand) on this plan's formulary, or (3) your prescription exceeds the quantity limitations defined by the plan, you may request an exception to these restrictions by contacting Medco at 1-800-753-2851. If documentation from your doctor will support the medical necessity of taking a non-formulary drug over a formulary drug, taking a Tier 3 drug over a Tier 2 drug, or taking more than the quantity normally allowed by the plan, an exception may be granted which will provide Tier 3 coverage for a non-formulary drug, Tier 2 coverage for a Tier 3 drug, or an increased quantity. No exceptions will be granted for excluded drugs. In the event your request is denied, additional appeal levels may be available. Please consult your Evidence of Coverage (to be included with your new Medco ID card) for more information about coverage determinations, exceptions and appeals.

New Medco ID Cards – Medco will send you a letter at the end of December which will include your new Medco ID number. Please use this letter in place of your new card until your card is received in early January. Remember, you will have a new system-generated (non-Social Security Number) ID number.

Information Resources – Please remember that Medco is your resource for determining drug coverage under the new enhanced Medicare Part D Plan (YOURx PLAN) that has been offered by the Commonwealth of Virginia Retiree Health Benefits Program. Anthem Blue Cross and Blue Shield cannot provide information regarding this new benefit. While Anthem continues to administer your medical (and dental and vision, if applicable) benefits under these Medicare-coordinating plans, Medco is the sole administrator of the new prescription drug benefit. Please do not contact Anthem for information regarding your new prescription drug benefit.

Thank you for your attention to these important benefit matters.

EXCLUDED DRUGS MOST COMMONLY USED BY STATE PLAN PARTICIPANTS

ALPRAZOLAM	HYDROCODONE W/GUAIFENESIN
BENZONATATE	LORAZEPAM
CLONAZEPAM	TEMAZEPAM
CYANOCOBALAMIN	TUSSIONEX
DIAZEPAM	

MOST UTILIZED (MORE THAN 100 USERS) NON-FORMULARY/TIER 4 DRUGS

ACIPHEX	LEXAPRO	POTASSIUM CHLORIDE
BENICAR	LIPODERM	PROTONIX
COUMADIN	LUNESTA	SKELAXIN
DITROPAN XL	MOBIC	

MOST EXPENSIVE NON-FORMULARY/TIER 4 MAINTENANCE DRUGS (GENERALLY MORE THAN $100 FOR A ONE-MONTH SUPPLY)

ACIPHEX	DDAVP	NOLVADEX	SARAFEM
AEROBID-M	DEXEDRINE	NORPACE	SINEMET
AGRYLIN	DITROPAN XL	PANCREASE	TAGAMET
ANAFRANIL	ESTRATEST	PARLODEL	TAMBOCOR
ARICEPT ODT	GENOTROPIN	PEPCID	TEGRETOL
ATROVENT	HUMATROPE	PLAQUENIL	TENEX
AZMACORT	INSPRA	PLETAL	TENORETIC 50
BETAPACE	ISOPTIN SR	PRAVIGARD PAC	TESTRED
BETAPACE AF	K-LYTE	PREVACID NAPRAPAC	TICLID
BIDIL	LARIAM	PRILOSEC (EXCEPT 40MG)	TOFRANIL-PM
CALAN SR	LEXXEL	PROCRIT	VASOTEC
CANATIL	LONITEN	PROPANTHELINE BROMIDE	VERELAN
CARADIZEM CD	LOPRESSOR	PROTONIX	WELCHOL
CARDENE SR	LOXITANE	PROZAC	WELLBURTIN SR
CATAPRES	LYRICA	PROZAC WEEKLY	XOLAIR
CLOZARIL	MEVACOR	QVAR	XOPENEX
CONCERTA	MOBIC	RELAFEN	ZANTAC
CORDARONE	NAPRELAN	REMERON	ZEBETA
CORGARD	NEURONTIN	RIOMET	ZEMPLAR
DANTRIUM	NIZATIDINE	ROBINUL FORTE	ZIAC

COMMONLY UTILIZED DRUGS WITH NEW PRIOR AUTHORIZATION REQUIREMENTS

ARICEPT	NAMEMDA	OMEPRAZOLE	PRILOSEC 40MG
AVODART	NEXIUM	PREVACID	PROSCAR
EXELON	NEXIUM IV	PREVACID IV	RAZADYNE

DRUGS IN TIERS 3 AND 5 WITH APPROXIMATELY $100 OR MORE IN OUT-OF-POCKET EXPENSE AND/OR COMMONLY USED BY STATE PLAN PARTICIPANTS

ABILIFY	EFFEXOR SR	MARINOL	SENSIPAR
ACTIMMUNE	EMCYT	MEGACE ES	SYMBYAX
ADVICOR	ENBREL	MIRAPEX	TARCEVA
ALDARA	EPOGEN	NAMENDA	TASMAR
ANZEMET	GLEEVEC	NEULASTA	TESTIM
ARANESP	IOPIDINE	NEUPOGEN	TIKOSYN
ARTHROTEC 75	KADIAN	NILANDRON	TOBI
AVASTIN	KALETRA	NORVIR	TRACLEER
AVINZA	KUTRASE	PERIOSTAT	TRILEPTAL
AVONEX	KU-ZYME	PRAVACHOL	TRUVADA
AVONEX ADMIN PACK	KYTRIL	PREVPAC	VIREAD
BETASERON	LAMISIL	PRILOSEC 40MG	XIFAXAN
CARBATROL	LESCOL XL	PULMOZYME	ZEGERID
CRIXIVAN	LEUKINE	RAZADYNE ER	ZONEGRAN
DIPENTUM	LEVAQUIN	RYTHMOL SR	